

BUDGET LETTER

SUBJECT:	TRACKING COVID-19 RELATED COSTS AND FEDERAL FUNDS	NUMBER:	21-03
REFERENCES:	BUDGET LETTERS 20-12 AND 20-32	DATE ISSUED:	February 23, 2021
		SUPERSEDES:	

TO: Agency Secretaries
Department Directors
Departmental Administration Officers
Departmental Budget, Accounting, and Human Resources Officers
Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

Given the need to track and report various state expenditures, federal funding eligibility, and the potential receipt of federal funding for certain COVID-19 related expenses, departments are identifying and providing estimated and actual COVID-19 expenditures to Finance. This Budget Letter (BL) summarizes and updates current tracking, accounting, and cost reporting requirements specified in previous budget letters and drills, including the COVID-19 Federal Tracking Portal.

Departments must provide up-to-date, accurate data on COVID-19 related costs, as well as the receipt and expenditure of federal stimulus funds. Where there is overlap in COVID-19 reporting (the same category of expenditure or data fields such as actual expenditures), the information provided by departments must be consistent across these drills. If the data is not consistent, departments must provide an explanation to their Finance Budget Analyst when the data is reported.

For the purposes of this budget letter and the budget letters referenced herein, the following definitions apply:

- **Direct Response**—These are primarily costs driven by the California State Operation Center and its mission tasking decisions for extraordinary activities beyond regular government operations. These activities include, but are not limited to: (1) preparing for and implementing statewide hospital and medical surge capacity, (2) procuring a statewide supply of personal protective equipment to support state and local government operations as well as essential industries, (3) statewide testing, and (4) vaccine distribution and administration.
- **Indirect Response**—These are costs related to adaptations necessary to sustain continuity of regular government operations—such as telework equipment or adaptation of a business process to support normal business operation activities. These costs are primarily being collected for potential FEMA reimbursement or Coronavirus Relief Fund usage/draw down. These include other state agency operational costs outside of the main State Operation Center/mission tasking activities.

As outlined in [BL 20-12](#), agencies and departments must accurately and consistently track COVID-19 expenditures in the Financial Information System for California (FI\$Cal), regardless of fund source. BL 20-12 directed departments to use COVID-19 FI\$Cal attributes (or similar coding if not transacting in FI\$Cal) to monitor and standardize the reporting of these transactions using the following categories:

- **COVID-19 Response**—Various activities that support the emergency response undertaken by departments in direct response to the pandemic.
- **Testing and Contact Tracing**—Activities that support **state** testing and contact tracing.
- **COVID-19 Stimulus Programs**—Federal stimulus funds that flow through the state.

Departments should continue to use the specified COVID-19 FI\$Cal attributes to support accurate and consistent accounting and reporting of these costs, which may be published on Open FI\$Cal beginning in March.

COVID-19 Cost Reporting – (consistent with [BL 20-32](#))

Primary Purpose: To capture state expenditures in support of COVID-19 related activities. This cost reporting requires all departments and agencies to provide monthly updates of total cost estimates and actual expenditures to date associated with COVID-19 related response activities—this should include costs related to both direct response and indirect response activities. This information is utilized to identify when departments and agencies may need funding to support these activities, identify potential federal funding sources for these costs, make informed financial decisions, and provide fiscal update reporting to the Legislature and the public. Departments and agencies should provide data on the receipt of federal funds that support direct response to the pandemic so available federal resources are optimized.

Affected Departments: All departments with either direct response or indirect response costs related to COVID-19, pursuant to the requirements of BL 20-32.

FI\$Cal Attributes: “COVID-19 Response” and, for testing costs and contact tracing costs that are not related to staff redirected to the contact tracing program, “Testing and Contact Tracing”.

Frequency: Monthly by the 3rd Monday of each month (BL 20-32 required weekly reporting. All other requirements specified in BL 20-32 apply to the monthly reporting). If this date falls on a holiday, reporting is due on the following business day. Positive reporting to the COVID Cost Reporting inbox is required.

DOF Contact: COVIDCostReporting@dof.ca.gov and Finance Budget Analyst.

Contact Tracing Staff Redirection

Primary Purpose: To track state employees redirected to the contact tracing program and determine associated costs by fund source. Finance has collected information from departments for redirected staff, deployment information, and fund sources for 2019-20. This data will be used to reimburse the state's General Fund, and also various special, bond, and federal funds. Generally, this will be done as a transfer to the fund that was used for payroll purposes to limit changes to prior payroll cost allocations.

This data will also be used to estimate preliminary 2020-21 costs for any new and existing staff that are assigned to contact tracing. This estimate will be adjusted following the reconciliation process described below using actual reported hours by position. These expenditures should not be included on the BL 20-32 direct response costs reporting. The data from this drill will be used to estimate and report statewide contact tracing costs.

In January 2021, the Department of Public Health added a module to the California Connected online portal which supports contact tracing and will be used to track hours worked for redirected staff. Redirected staff will use this portal to track and report contact tracing hours worked. Data from this system will be used to identify total hours by department beginning with the January 2021 pay period. Beginning in late February 2021, redirected staff will also be required to retroactively enter total hours worked for each of the months between July 2020 and December 2020. This work must be completed no later than March 30, 2021 for Finance to complete timely reimbursements to various state funds. Mandatory contact tracing training hours will be added to the total hours reported in the month training is completed for any newly redirected staff and will not be entered into the online portal.

Finance will require departments to update the cost allocation information by fund. Department staff redirected to contact tracing activities must report their hours worked in the newly created timekeeping portal. Staff will need to know their assigned position number to identify the correct salary and wages paid to each staff redirected to contact tracing. Departments must ensure that staff complete this reporting. If hours are not reported, there will be no mechanism for a special fund to be reimbursed for these costs. Data will be reconciled on a quarterly basis beginning in April 2021. Please ensure full compliance within 10 business days of the end of a quarter.

Affected Departments: All departments with staff being redirected to support contact tracing.

FI\$Cal Attribute: "Testing and Contact Tracing"

NOTE: This attribute is generally intended to track staff time (labor costs) as described above. In addition, departments with 24-hour facilities or statewide testing contracts may also use this attribute.

Frequency – Time Reporting: Monthly by the 3rd of each month (reporting began in February) for the staff redirected to contact tracing.

Frequency – Detail by Fund: Quarterly by the 10th business day of the month, beginning in April 2021.

Contact: Finance Budget Analyst (fund allocation and reimbursement) and CTTimekeeping@cdph.ca.gov (questions about reported time).

Resources: Please see the help and support, training video, and FAQs on Public Health's website at <https://cdphcontacttracers.powerappsportals.us/help-and-support/>.

COVID-19 Federal Stimulus Tracking

Primary Purpose: To identify all federal COVID-19 stimulus funding awards and track obligations/encumbrances and expenditures of those funds. In December 2020, Finance launched a web portal (see resources below) for tracking awards, encumbrances, and actual expenditures of federal stimulus funds (previously done in Excel). This data supports data transparency and reporting, which is published on Finance's website. This data is also used to identify federal funding sources for certain costs identified as part of COVID-19 direct response cost reporting. Departments should update expenditures and obligations for awards received from the stimulus bills enacted prior to April 24, 2020, as well as create records for tracking any new stimulus awards including the Coronavirus Response and Relief Supplemental Appropriations Act enacted in late December 2020.

Affected Departments: All departments receiving federal COVID-19 stimulus awards and grants.

FI\$Cal Attribute: "COVID-19 Stimulus Programs"

Frequency: Monthly by the 3rd Monday of each month. If this date falls on a holiday, reporting will be due on the following business day. Positive reporting to the COVID Federal Tracking inbox is required.

DOF Contact: COVIDFederalTracking@dof.ca.gov and Finance Budget Analyst.

Resources: Please see the user guide, training video, and FAQs on Finance's website at https://www.dof.ca.gov/budget/COVID-19/COVID_Federal_Tracking_Portal/.

If you have any questions regarding this BL, please contact your assigned Finance Budget Analyst.

/s/ Thomas Todd

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